DIRECT TESTIMONY

OF

JOHN R. HENDRIX

ON BEHALF OF

SOUTH CAROLINA ELECTRIC & GAS COMPANY

DOCKET NO. 2009-489-E

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. John R. Hendrix, 220 Operation Way, Cayce, South Carolina 29033.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am Manager of Electric Pricing and Rate Administration with SCANA Services, Inc.

Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A. I am a graduate of the University of South Carolina where I received a Bachelor of Science Degree in Business Administration with a major in marketing. Since joining South Carolina Electric & Gas Company ("SCE&G" or the "Company") in August 1983, I have held various positions within the Rate Department. In December 2002, I assumed my present position. I have participated in cost of service studies, rate development and design, and rate evaluation programs for both the electric and gas operations. I am a member of the Southeastern Electric Exchange Rate Section.

Q. WILL YOU BRIEFLY SUMMARIZE YOUR DUTIES WITH SCANA SERVICES, INC.?

A. I am responsible for the design and administration of the Company's electric rates and tariffs including the electric fuel adjustment. In addition, I am responsible for the Company's electric allocation studies.

Q. HAVE YOU PRESENTED TESTIMONY TO THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION") BEFORE?

A. Yes. I have previously testified before the Commission in fuel cost proceedings and in retail electric rate cases on behalf of the Company.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony has three principal purposes:

<u>Cost of Service</u> -- I present the Company's fully allocated cost of service study. This study allocates responsibility for the revenues required to operate the electric system among the various customer classes. It is based on engineering, operational and financial data related to the September 30, 2009 test year in this case.

Rate Design -- I present the rate design the Company is proposing in this proceeding. The rate design takes the revenue requirement produced by the cost of service study and creates specific rates. These rates are designed so that, if they had been applied during the test period, they would have produced the Company's requested revenue requirement. These rates will allow the Company the opportunity to earn the level of revenue required to cover its costs including cost of capital in the future.

Tariffs -- I also present the changes required to our rate schedules to reflect the new rates proposed in the Application of South Carolina Electric & Gas Company For Adjustments in the Company's Electric Rate Schedules and Tariffs ("Application").

Q. WHAT IS A COST OF SERVICE STUDY?

A. A cost of service study determines the Company's costs of serving various classes of customers (i.e., residential, small general service, medium general service, large general service, and lighting). Different classes of customers place different requirements on the electric system. Those different requirements are based on size, different usage patterns, different service voltages, different types of metering, different costs of reading meters, differences in the complexity of bills, etc.

A key principle in regulation of utility rates is that the rates for individual classes of customers should reasonably reflect the cost of serving customers in that class. Accordingly, the principle underlying the allocations of plant investment and expenses in a cost of service study is cost causation. The allocation methodologies should reflect the basis of what caused the cost to be incurred.

The cost of service study used in preparing the rates in this proceeding uses principles and methodologies that have been accepted by this Commission as appropriate for setting rates for the Company for at least the last 29 years. This study is based on standard rate making methodologies recognized throughout the industry.

Q. WHY DO YOU REFER TO YOUR STUDY AS A FULLY ALLOCATED COST OF SERVICE STUDY?

A. To be a proper basis for setting rates in a general rate proceeding, the cost of service study must allocate all the costs that comprise the utility's revenue requirement among the various customer classes. If any costs are overlooked or omitted, those costs would not be recovered in rates, and the rates would not allow the utility a reasonable opportunity to recover its costs including the cost of capital allowed by the Commission.

Q. WHAT IS THE SOURCE OF THE COST COMPONENTS THAT ARE REFLECTED IN YOUR COST OF SERVICE STUDY?

A. The cost of service study and rate design are based on the cost components set forth in the Application and the testimony of the Company's other witnesses. These components are comprised of revenue and expenses and rate base items and are based on test year data including the proposed pro forma adjustments discussed in Mr. Swan's testimony, and the cost of capital testimony by the Company's other witnesses.

Q. WOULD CHANGES IN RATE BASE AND RETURN COMPONENTS AND OTHER DATA INVALIDATE YOUR STUDY?

A. Not at all. The cost of service study provides an analytical and factual basis for allocating the Company's costs based on the engineering and operating characteristics of the electric system, the attributes of the various customer classes, and the demands placed on the system by customers. Those characteristics and demands are not dependent on the overall amount of costs to be allocated in establishing rates. However, because specific elements of cost are allocated differently in the study, care is needed to adjust the results of the study if particular elements of cost are changed.

<u>THE COST OF SERVICE STUDY</u>

Q. WHAT ARE THE STEPS IN PREPARING A COST OF SERVICE STUDY?

A. There are three principal steps in preparing a cost of service study:

First, we functionalize the rate base and return components that comprise the revenue requirement.

Second, we classify return and rate base components according to the causation of those costs -- either demand, energy, or customer-related.

Third, after the above steps are completed, the cost components related to each function are allocated to the appropriate class of customers reflected in the manner in which the costs are incurred.

Q. PLEASE EXPLAIN HOW YOU FUNCTIONALIZE COSTS.

A. The Company records its costs using the Uniform System of Accounts of the Federal Energy Regulatory Commission. These accounts separate the Company's costs among the key functions of an integrated electric utility, the primary categories of which are production (generation), transmission and distribution.

Q. PLEASE EXPLAIN THE CLASSIFICATION OF COSTS.

A. In the next step of the process, the classification of costs, we place costs into groups according to cost-causing characteristics related to those costs. These cost-causing characteristics are defined as demand-related characteristics, energy-related characteristics, and customer-related characteristics.

Q. PLEASE DEFINE DEMAND-RELATED COSTS.

A. Demand costs are classified as costs which were incurred in proportion to the kilowatts of demand imposed on the various segments of the system by our customers. Costs which are demand-related include the major portion of the Company's investment and related expenses in its production and transmission facilities and a significant portion of the investment and related expenses of its distribution system. The investments and expenses that are allocated using demand allocators are those that are incurred to ensure that the Company can meet the demand customers place on the system for electricity in a reliable and cost effective manner. Accordingly, customers cause the Company to incur these investments and expenses based on their contribution to demand on the system. By the same token, the costs allocated using demand allocators tend to be costs that remain constant over the short run and do not change based on the amount of power being used on the system.

Q. PLEASE DEFINE ENERGY-RELATED COSTS.

A. Energy-related costs are defined as those costs which vary with the number of kilowatt hours ("kWh") consumed on the system. These costs are also classified as variable costs. Customers cause these costs to be incurred by their consumption of energy on the system. For that reason, allocators based on kWh sales are used for these costs.

Q. PLEASE DEFINE CUSTOMER-RELATED COSTS.

A. Customer-related costs are those costs which are incurred primarily as a function of the number of customers served. These costs include items of investment and related expenses in the functional category of meter investment and expenses, customer accounting and sales expense, investment and expenses related to secondary lines and services, and a portion of investment and expenses related to transformers. Customer costs do not vary significantly with the customers' volume of usage, individually or as a customer class. However, these costs do vary with the number of customers in a class and with the size of the customers in the class (i.e., the voltages at which they take power, the maximum size of their meters, etc.).

Q. PLEASE EXPLAIN THE ALLOCATION OF COSTS.

A. The first step in allocating costs is the development of specific allocation factors to allocate the cost components to the various customer classes. In the development of the allocation factors, a principle of "equivalent level of service" is followed to ensure that the customer classes are allocated cost components for only those levels of the system involved in service to their members. For example, the level of service concept ensures that an industrial customer who receives service at transmission voltage is not allocated a portion of the distribution system.

Q. WHAT DEMAND ALLOCATORS WERE USED TO ASSIGN DEMAND COSTS TO THE CUSTOMER CLASSES?

A. Two specific demand allocators were developed to assign demand costs to customer classes: the coincident peak demand ("CP") allocator for production and transmission costs, and the non-coincident peak demand ("NCP") for distribution costs.

Q. WHAT IS THE CP ALLOCATOR?

A. The CP allocator is developed based on the contribution of each customer class to the system territorial peak demand experienced during the test year. The Company's territorial peak demand usually occurs between the hours of 2 p.m. and 6 p.m.; therefore, the Company has historically used the average peak in this four hour band. This four hour band is used, rather than the instantaneous peak, because individual classes have different load characteristics within this four hour band, and wide swings in allocated costs could occur each time rates are set if the single instantaneous peak were utilized. This four hour band CP allocator provides consistency in allocation of costs and the Company has used the four hour band with the Commission's approval in all electric rate proceedings for the last 29 years.

Q. WHEN DID THE PEAK DEMAND USED IN THIS STUDY OCCUR?

A. The peak demand used in this study occurred on August 11, 2009.

Q. HOW IS THE CP ALLOCATOR USED?

A. The CP allocator was utilized to allocate investments and demand-related expenses associated with the production and transmission functions of the Company because system peak is the prime determinant of the amount of production and transmission facilities that the Company must install to meet customer demands.

Q. WHAT ALLOCATOR IS USED FOR DISTRIBUTION INVESTMENT AND EXPENSES?

A. The non-coincident peak allocator is the basis for allocating demand-related distribution investments and expenses. The NCP allocator is developed by taking the non-simultaneous peak demands of the different classes whenever they occurred during the year.

Q. WHY DO YOU USE A NON-COINCIDENT PEAK FOR ALLOCATING DISTRIBUTION INVESTMENT?

A. Distribution facilities include the low voltage lines, transformers and related facilities that serve individual neighborhoods, rural areas and commercial districts. They do not function as a single integrated system in meeting system peak demand. Instead, the distribution system serving each neighborhood, rural area or commercial district must be able to meet the peak demand in that area whenever it occurs. Accordingly contribution to non-coincident peak is the appropriate measure of customers' responsibility for these costs because it best measures the factors that drive investment in that part of the system.

Q. WHAT ALLOCATOR WAS USED TO ASSIGN ENERGY COSTS TO CUSTOMER CLASSES?

A. Energy costs reflect the variable cost of producing, transmitting and delivering electricity using the system already in place. Therefore, the Company's energy sales during the test year by class of customers were used to allocate these costs. An example of a cost allocated on this basis would include fuel.

Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE ENERGY ALLOCATORS.

A. The energy allocators are developed from the annual kWh sales by class of customer adjusted for system losses. We collected data on energy usage by customer class, and we used actual test period data in making the allocation.

Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE CUSTOMER

ALLOCATORS.

A. Customer-related allocation factors were based initially on the raw number of customers in the respective classes during the test period. To create more precise customer allocation factors, we utilized both weighted and non-weighted determinants. For example, we allocated billing expenses between customer classes based on the average number of customers in the class. This non-weighted allocation reflects the fact that the cost to produce, mail and otherwise process a bill does not vary significantly between customer classes.

On the other hand, the cost of reading meters and establishing billing determinants varies substantially between customer classes. Larger customers with more complex metering equipment and more complicated bills require more effort and cost for billing. Accordingly, we developed the factors used for allocating billing expenses among customer classes by weighting the average number of customers in the class (a) by the average time required to read a typical meter for customers of that class, and (b) by the average time required to develop billing determinants for customers in that class.

Q. HOW WERE THE RATE BASE AND RETURN COMPONENTS CLASSIFIED AND ALLOCATED TO CLASSES?

A. The rate base and return classifications and allocations were made using standard methodologies as testified above. Exhibit No. _____ (JRH-1) shows the classifications of investment and expense items and the factors on which specific investment and expense items were allocated. The next exhibit, Exhibit No. _____ (JRH-2), details the development of the cost of service and the resulting allocations that set forth the fully distributed cost of service for the test year as adjusted.

Q. DOES YOUR COST OF SERVICE STUDY FOR THE TEST YEAR PROPERLY DISTRIBUTE COSTS OF PROVIDING ELECTRIC SERVICE TO CUSTOMER CLASSES?

A. Yes. The cost of service study presented here provides a proper foundation for distributing costs among classes since it recognizes cost causation and distributes costs accordingly. This study also provides a proper basis for determining cost-based rates and is a major component of fair and equitable rate design. The cost of service study also provides a reasonably accurate measure of profitability among classes of customers. It is fully consistent with past precedent and practice of the Commission in setting rates for the Company.

Q. PLEASE EXPLAIN HOW YOU DEVELOPED THE REQUESTED REVENUE.

A. The requested revenue is based on the rate of return information contained in Exhibit C-2, page 2 of 4 of the Company's Application. This information shows the rate of return that the Company earned during the test year was deficient and indicates a need for a net revenue increase of

$197,575,000 to allow the Company to earn a compensatory return on its retail electric service.

Q. HOW WAS THE REVENUE INCREASE BY CLASS DEVELOPED?

A. In developing an appropriate distribution of the revenue increase to the various classes of customers, the cost of service is used. From it, we ascertain our total revenue requirement and the percent by which our revenues must increase to meet this requirement. For ease of analysis, assume that the Company requires a 9% overall retail rate of return and this equates to an overall 10% revenue increase. If we then adjust the rates for each class of customer so that each class return equals 9%, we would realize our revenue requirement and each class would be paying its exact cost to serve.

While this solution has appeal from a purely academic standpoint, the circumstances of our customers are much more dynamic and the relationship of customer costs cannot be so easily maintained. Please refer to my Exhibit No. ___ (JRH-3). This exhibit shows that, based on the adjusted test year results, the large general service class started out below 100% of the retail rate of return while the other classes were either at 100% or above. With the proposed revenue increases, all classes were either kept near or moved toward 100%.

In proposing these revenue increases, we are adhering to a long-standing regulatory policy that rates should produce rates of return among classes that bear a reasonable relationship to the overall retail rate of return. As a guide, the

Company has historically considered (and the Commission has accepted) that a reasonable relationship exists to the overall retail rate of return so long as each customer class falls within plus or minus 10% of the theoretical 100%. This bandwidth allows the Commission flexibility to take into consideration public policy issues while making its decisions concerning how to allocate increases in revenue requirements.

The Company continues to use the plus or minus 10% standard as a guide. Please refer to my Exhibit No. _____ (JRH-3). This exhibit shows that all classes except small general service and large general service are within plus or minus 10%. Both small general service and large general service were moved toward the bandwidth, but because we believe it is important to take measured steps when adjusting rates among classes of customers, we were unable to move them into the bandwidth. In spite of this situation, we continue to believe that utilization of the plus or minus 10% bandwidth as a guide is reasonable and allows flexibility over the long run.

RATE DESIGN

Q. WHAT IS THE COMPANY'S OBJECTIVE IN THE RATE DESIGN EFFORT?

A. Our continuing objective in rate design is to provide electric service to our customers at fair prices while earning an adequate return for investors. The objectives of our rate design effort have been to price rates appropriately, to maintain a reasonable level of simplicity in rates and to continue to offer rate choices that meet customer needs.

We believe that rates should be designed to recover costs and provide clear market signals to promote the efficient use of electricity. Prices should encourage off-peak use, higher load factors and investments in energy efficient equipment. Rates should help customers improve their efficiency and their ability to compete in domestic and foreign markets. We want to encourage new customers to locate in South Carolina as well as keep existing customers in the State.

In addition, we believe that rates should be set so that rates and revenues will be stable and predictable over time. We want to offer helpful rate choices to our customers. But we also want rates to be simple and transparent so that customers can understand their options and use them to their best advantage.

In this proceeding, we reviewed those objectives against our existing rates, and have determined that the existing rate structure does not require substantial modification at this time.

Q. WHY HAS THE COMPANY PROPOSED THREE SETS OF RATES?

A. The three sets of proposed rates coincide with the Company's request to approve the full $197,575,000 increase but delay it in part, and implement the increase in three phases. The Phase 1 rates are designed to incrementally produce $66,144,000, the Phase 2 rates are designed to incrementally produce

$63,516,000, and the Phase 3 rates are designed to incrementally produce $67,915,000.

Q. ARE THERE ANY PROPOSED CHANGES THAT AFFECT ALL OF THE ELECTRIC RATES?

A. Yes. The Basic Facilities Charge ("BFC") for all rates has been increased. Even after the proposed increase, the amount of the charge will still be significantly less than the actual and continuous expenditures necessary to provide customers with the ability to use electricity. The requested BFC and the actual costs from this cost of service comparison for all rates can be seen on Exhibit No. _____(JRH-4).

Q. WHAT OTHER ADJUSTMENTS TO RATES ARE YOU PROPOSING?

A. Rate 3 has been modified to remove the summer and winter energy block designations and replace them with a single energy block. This change has no effect on the rate design since both the current summer and winter energy charges are the same. The air conditioning requirement for Rate 6 has been modified from "1.5 SEER higher than the rating shown in the Council of American Building Officials Model Energy Code" to "1.0 SEER higher". This was done to simplify the requirements and bring them in line with the Energy Star requirements. Additionally, the 12 SEER floor was removed because it is no longer applicable. The structure of Rate 20 and Rate 23 has been changed to show the BFC and a single charge for all demand. Previously, the BFC was embedded in the first demand block along with the charge for the first increment of demand times the demand charge. This modification was made to simplify the rate and has no effect on the rate design. As further discussed by Company Witness Joseph Lynch, the Company is proposing to phase out experimental Rate 21A over the three phases with the rate being eliminated with the implementation of Phase 3 rates. This rate was approved by the Commission in Order No. 2003-38 in Docket No. 2002-223-E. It was made available to a limited group of customers to evaluate how a discounted time of use rate would motivate customers to shift loads and reduce demand. Studies indicate that the rate is not generating a sufficient level of load shifting and demand reduction to justify the discounts contained in the rate structure. These studies and their results are further discussed in the testimony of Dr. Lynch. Should the Commission agree with the Company's proposal to eliminate Rate 21A, customers will thereafter be able to choose either Rate 20 or Rate 21. The Company has made minor modifications to the kWh per month designation on the lighting tariffs based upon a review of the latest manufacturer's input wattage. Minor changes to rate designations along with minor grammatical changes on various tariff sheets have also been made.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

CLASSIFICATION OF INVESTMENT

DOCKET NO. 2009-489-E

ITEM	CLASSIFICATION		
	Customer	Demand	Energy
PRODUCTION PLANT & CWIP		X	
TRANSMISSION PLANT & CWIP	X	X	
DISTRIBUTION PLANT & CWIP			
SUBSTATIONS	X	X	
LINES	X	X	
TRANSFORMERS	X	X	
METERS	X		
SERVICES	X		
GENERAL & COMMON PLANT	X	X	
MATERIAL & SUPPLIES			
FUEL			X
OTHER	X	X	
WORKING CAPITAL	X	X	X

SOUTH CAROLINA ELECTRIC & GAS COMPANY

CLASSIFICATION OF INVESTMENT

DOCKET NO. 2009-489-E

ITEM	CLASSIFICATION		
	Customer	Demand	Energy
EXPENSES - O & M			
PRODUCTION		X	X
TRANSMISSION	X	X	
DISTRIBUTION	X	X	
CUSTOMER ACCOUNTS	X		
CUSTOMER SERVICE	X		
SALES	X		
ADMINISTRATIVE & GENERAL	X	X	X
DEPRECIATION			
PRODUCTION		X	
TRANSMISSION	X	X	
DISTRIBUTION	X	X	
GENERAL & COMMON	X	X	
TAXES			
PROPERTY	X	X	
GENERATION			X

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ELECTRIC COST OF SERVICE STUDY
12 MONTHS ENDED SEPTEMBER 30, 2009

The Company's electric cost of service study develops the rates of return for the various classes of service. These classes generally reflect different rate schedules of the Company and were established based on similarity of customer characteristics. The classes of service for this cost of service study are as follows:

Class	Rate Schedule
Residential	1, 2, 5, 6, 7, 8
Small General Service	3, 9, 10 11, 12, 13, 14, 15, 16, 19, 22, 28
Medium General Service	20, 21, 21A
Large General Service	23, 24, Contracts
Street Lighting	17, 18, 25, 26, Contract Lighting, & Subdivision Lighting

The rate of return for each class of service is developed by a procedure fully allocating total revenues, expenses, and rate base. The operating expenses for each class of service are deducted from the operating revenues for that class to develop its operating return. Prescribed additions and deductions are then made to derive the allocated total income for return which is divided by the allocated total original cost rate base to determine the rate of return for each class of service.

Expenses and rate base items are first assigned to functional groups based on the usage of plant facilities. Each of these functional groups is then separated into items which are directly assignable to a particular customer or class of service and those that are to be allocated to all customers or classes of service. Each cost item is then further broken down into one or more of the cost causations – demand, energy, and customer. After the above steps have been completed, each cost component of each function is allocated to the appropriate classes in the manner in which it is incurred.

To expedite the computations, cost of service computer software was used to perform the mechanical operation of allocating the cost and rate base items from developed demand, energy, and customer data and from dollar amounts internally calculated. Once this was complete, the cost of service program computed the dollar amounts of each functionalized item allocated to each class of service and calculated a rate of return for each class.

I. Functionalization of Cost and Expenses

South Carolina Electric & Gas Company utilized accounting systems prescribed by the Uniform System of Accounts of the Federal Energy Regulatory Commission. These classifications prescribe precise accounting procedures for reporting on revenue, expense, and balance sheet items including utility plant. The plant accounting system also provides for segregation of both plant and the related accumulated provision for depreciation into well recognized functional categories.

The operating income is segregated into standard accounts and groups which cover all operating and maintenance expenses for the various categories of utility plant as well as other revenue deductions. These categories of plant and expense accounts relate to production, transmission, distribution, and general plant, and also to such customer expenses as service and information, sales, customer accounting, and general and administrative. These segregations were used in the process of identifying plant and expense for the allocation process.

II. Cost Components

There are three causation components which are identified as follows.

(A) Demand

Demand costs were classified as those costs which were incurred in proportion to the kilowatts of demand imposed on the various segments of the system. Costs which were demand related were the major portion of the investment and related expenses in the production and transmission facilities and a portion of the distribution system.

Analysis was made of the manner in which the system was designed to meet the requirements of the customers. It was determined that two different demand responsibility methods were appropriate for allocating the demand costs to properly reflect the manner in which they were incurred by the Company. It was necessary to determine the demands of the various customer classes prior to making the allocations.

In some instances, the data was available from Company records. In others, it was not available. In order to obtain data on customers not available from Company billing or dispatching records, the Company's class load research was used to obtain the remaining load responsibilities.

(B) Energy

Energy costs were defined as those costs which vary with the number of KWH generated and purchased. These costs were allocated to each class of service in proportion to KWH sales to that class.

(C) Customer Costs

Customer costs were defined as those items of investment and the related expense which were primarily a function of the number of customers served. These include the functional categories of meter investment and expenses, customer accounting and sales expenses, secondary lines, services, and a portion of transformers.

III. Allocation Factors

Factors were developed to allocate the cost components to the customer classes. In the development of the required allocation factors, a principle of "equivalent level of service" was followed to insure that the customer classes were allocated cost components for only those levels of the system involved in service to their respective customers. For example, the level of service concept insures that an industrial customer who receives service at transmission voltage is not allocated a portion of the distribution system.

(A) Demand Factor

The factors used in the allocation of the demand component of costs to the various classes of service are:

(i) The Coincident Peak (CP) was used for the allocation of the production and transmission power supply costs. The coincident peak allocation factor was based on the hours of 2:00 p.m. and 6:00 p.m. on the summer territorial peak day. The contribution of each class of service to the four-hour peak demand was used to determine its coincident peak responsibility. The peak demand responsibility for each class of service was determined by adjusting demands at customer levels by the appropriate loss factors through each voltage level of the system to the generation level.

(ii) The Noncoincident Peak (NCP) was used to allocate the cost of a part of distribution facilities to the various classes. The maximum annual demands of each class of service at customer delivery points were adjusted for losses at the different levels within the system to the transmission system.

(B) <u>Energy Factor</u>

Energy sales by classes of service were used as the energy allocation factor. This factor is the ratio of sales at the generation level for each class of service.

(C) <u>Customer Factor</u>

Customer factors were based on the average number and location of customers connected to our system.

(D) <u>Revenue Factor</u>

Revenue factors were based on the revenues that were recorded for each of the classes of service.

IV. <u>Allocation of Rate Base Items</u>

The system of accounts followed by South Carolina Electric & Gas Company does not permit all costs to be directly assigned to classes of service. A detailed analysis based on use of electric plant and related operating expenses was necessary to determine the costs incurred in serving the various classes of customers. It should be noted that some of the functional classifications were subfunctionalized where necessary.

Allocation of electric plant begins with an analysis to determine what facilities, if any, can be directly assigned to a particular customer or group of customers. These facilities, since they are for use only by a particular customer or customers, are directly assigned to the class of service to which the customer belongs. These direct assignments are not allocated to the entire system.

(A) <u>Production Plant</u>

Production plant was allocated based on the Coincidental Peak (CP) demand allocation factor that represents all KW demands at generation level at the time of the Company’s summer territorial peak.

(B) Transmission Plant

The Company has two levels of transmission – bulk power transmission and sub transmission. The bulk power transmission consists of all 115 KV and higher transmission facilities. The sub transmission level of service consists of the 46 KV and 33 KV systems.

After determining the facilities that could be directly assigned, the remaining facilities were allocated using the Coincident Peak (CP) demand allocation factor.

(C) Distribution Plant

Distribution plant was analyzed to determine if any facilities could be directly assigned. The remaining investment dollars were then allocated using the Noncoincident Class Peak (NCP) demand allocation factor at the primary level on the distribution system. Overhead lines in the distribution function were separated into the primary and secondary level. The primary level was considered demand related and the secondary level was considered customer related.

As with overhead lines, the percentage of primary and secondary underground lines was determined through analysis. The allocation of the primary and secondary underground lines was achieved using appropriate class peak demand factors and customer factors.

The Company's records detailed the investment in such items as line transformers, arrestors, switches, and line capacitors. Line capacitors were assigned to the bulk power transmission function in conforming with engineering system design considerations. Following the same considerations, the investment in arrestors was assigned to the primary level. All line transformers and switches were assigned to the secondary function. Using a transformer size of 25 KVA with 4 customers attached, this secondary function was separated into capacity and customer components.

The services account relates to the secondary function and is customer related. Allocation of services was made using the customers at the secondary level excluding the street light customer class.

The assignment of meter investment, installations on customer premises, and street lighting investment was done on a direct assignment basis. A customer weighted factor was used in assigning the meter investment.

(D) <u>General, Common and Intangible Plant</u>

General plant was divided into land and land rights and other general plant and then allocated to the various classes of service based on the sum of production, transmission, and distribution plant. Intangible and common plant investments were allocated to the various classes using the same method used to allocate the general plant investment.

(E) <u>Accumulated Provision for Depreciation</u>

The accumulated provision for depreciation was available by function from the Company's records. Allocation was made on the basis of total allocated plant in service less land and land rights.

(F) <u>Material and Supplies</u>

The fuel inventory of materials and supplies was assigned to the energy component and allocated on annual kilowatt-hour sales at the generation level. The remaining materials and supplies items were assigned and allocated on the various allocated plant-in-service accounts to which the items relate.

(G) <u>Working Cash</u>

An allowance for cash working capital was included for operation and maintenance expenses, excluding purchased power, in proportion to the allocation of those items to each class of service.

(H) <u>Prepayments</u>

Prepayments were divided into three areas: payments related to plant-in-service were allocated on total allocated plant-in-service, payments related to other taxes were allocated on total allocated other taxes, and payments related to retail sales were allocated on revenue derived from retail sales.

(I) <u>Accumulated Deferred Income Taxes</u>

Accumulated deferred income taxes, generally from liberalized depreciation, were analyzed and divided into three functions – production, transmission and distribution, and general and common – and allocated on applicable plant-in-service.

(J) Average Tax Accruals

Average tax accruals were allocated using a factor comprised of the total of the allocated other taxes, state income taxes, and federal income taxes.

(K) Customer Deposits

Customer deposits are directly assigned, based on an analysis of customer deposits by class of service.

(L) Injuries and Damages

Injuries and damages were allocated to each class of service on total allocated plant-in-service.

V. Allocation of Return Items

(A) Operating Revenues

Revenue from sales of electricity was assigned directly to the classes of service. Opportunity sales represent revenues derived from sales under special contract to be delivered at the option of the Company. The energy component of revenue from these sales was allocated on sales of energy at the generation level, the demand component on the Coincident Peak (CP) allocation factor, and the transmission component on allocated transmission plant. Revenue from forfeited discounts was allocated based on an analysis of uncollectible accounts. The remaining operating revenues were either assigned directly or allocated on the basis of functional plant.

(B) Operation and Maintenance Expenses

Production plant expenses were assigned to the demand component with the exception of fuel used in electric generation and certain expenses considered by FERC to be energy related, which were allocated on sales of electricity at the generation level. Supervision and engineering expense for steam, hydro, and other production were assigned to the operation and maintenance expense categories based on the respective labor expense within each of these categories. Purchased power was analyzed for separation into capacity and energy components. The energy allocation factor was used to allocate the energy component and the Coincident Peak (CP) demand allocation factor was used to allocate the capacity component.

Transmission operation and maintenance expenses were assigned to the transmission function within the various categories of expenses and allocated on the appropriate plant allocation factors. Supervision and engineering expenses were allocated to the operation and maintenance expense categories based on the respective labor expense within each of these categories.

Customer accounts and customer service and information expense includes all expenses incurred for servicing each customer's account. The supervision expenses for these accounts were allocated based on the respective labor allocations. Other related expenses were allocated based on customer weighted factors.

For sales expenses, the supervision account was allocated based on the labor expense within the sales expense account. The remaining expenses were allocated on the basis of analysis by those departments incurring the expenses.

Administrative and general expenses that relate directly to wages such as employee benefits were allocated on the basis of labor expenses and plant. Regulatory expenses were separated into wholesale and retail. The retail and wholesale portions were analyzed and allocated on appropriate plant-in-service allocators. Supervision was allocated based on the labor expenses within the administrative and general expenses.

(C) <u>Depreciation Expense</u>

Depreciation expenses were separated into the functional categories of steam, hydraulic, and other production, transmission, distribution, general and common. Each functionalized category was allocated on the respective plant accounts excluding land.

(D) <u>Taxes Other Than Income Taxes</u>

These taxes were comprised of the electric portion of certain federal, state, and local taxes. Federal payroll taxes, including FICA, federal income taxes and unemployment insurance, were allocated on total labor factors.

State taxes related to revenues were allocated on total operating revenue. Special utilities license was allocated on total plant-in-service. Generation tax was specifically assigned to those classes for which sales were subject to the tax. State payroll taxes were allocated on total labor factors.

Local taxes included county and municipal property taxes. Property taxes were allocated on total plant-in-service.

(E) <u>State Income Tax Liability</u>

Allocated operating income before income taxes was developed from previous revenue and expense allocations. State income tax was calculated at the statutory rate for each class of service.

(F) Federal Income Tax Liability

Development of the federal income tax liability began with operating income before income taxes. State income tax was allocated directly to each class of service and deducted. Federal income tax was computed at the statutory rate for each class of service.

(G) Deferred Income Taxes (Net)

The net of the provision and amortization of deferred income taxes was separated into functional categories and allocated appropriately.

(H) Investment Tax Credit (Net)

Investment tax credit net of the provision and amortization was separated into functional categories and allocated on the appropriate allocated functionalized plant-in-service.

(I) Customer Growth

Customer growth recognizes the change in the number of customers throughout the test year. The ratio of average to period-end customers was developed for each retail class and applied to that classes' operating return.

(J) Interest on Customer Deposits

These deposits were allocated on the basis of a customer weighted factor developed from an analysis of the deposits

Accounting and Pro Forma Adjustments

The accounting and pro forma adjustments are those set forth in Exhibit C-2, page 4 of 4 in the Company's Application and as presented in Mr. Swan's testimony.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FULLY DISTRIBUTED COST OF SERVICE STUDY

TEST YEAR: 12 MONTHS ENDED SEPTEMBER 30, 2009

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**ELECTRIC PLANT IN SERVICE**								
2	PRODUCTION PLANT								
3	Steam	D10	2,026,489	922,632	346,671	222,209	457,832	0	1,949,344
4	Hydraulic	D10	625,487	284,776	107,002	68,586	141,312	0	601,676
5	Nuclear	D10	982,090	447,132	168,006	107,688	221,877	0	944,703
6	Other	D10	747,439	340,299	127,864	81,958	168,864	0	718,985
7	**TOTAL PRODUCTION PLANT**		4,381,505	1,994,838	749,543	480,441	989,886	0	4,214,708
8	TRANSMISSION PLANT								
9	350 - LAND & LAND RIGHTS								
10	Bulk Power Transmission	DM3	40,172	18,213	6,843	4,386	9,038	0	38,480
11	Sub-Transmission	DM3	2,109	956	359	230	474	0	2,020
12	Distribution Substations	D30	195	98	42	21	30	4	195
13	Direct Assignment	P350DA	2,801	0	82	5	2,657	0	2,744
14	TOTAL ACCOUNT 350		45,277	19,267	7,326	4,642	12,199	4	43,439
15	352-353 SUBSTATIONS								
16	Bulk Power Transmission	DM3	214,300	97,158	36,506	23,400	48,212	0	205,277
17	Sub-Transmission	DM3	56,288	25,520	9,589	6,146	12,663	0	53,918
18	Distribution Substations	D30	37,068	18,620	7,935	3,986	5,729	799	37,068
19	TOTAL ACCOUNTS 352-353		307,656	141,298	54,030	33,531	66,604	799	296,262
20	354-356 OVERHEAD LINES								
21	Bulk Power Transmission	DM3	320,320	145,225	54,567	34,976	72,064	0	306,832
22	Sub-Transmission	DM3	44,377	20,119	7,560	4,846	9,984	0	42,508
23	Direct Assignment	P354DA	21,676	0	686	135	20,560	0	21,382
24	Distribution Substations	DM3	233	106	40	25	52	0	223
25	TOTAL ACCOUNTS 354-356		386,606	165,450	62,852	39,983	102,661	0	370,946
26	357-358 UNDERGROUND LINES								
27	Bulk Power Transmission	DM3	36,197	16,411	6,166	3,952	8,143	0	34,673
28	Sub-Transmission	DM3	1,636	742	279	179	368	0	1,567
29	TOTAL ACCOUNTS 357-358		37,833	17,153	6,445	4,131	8,511	0	36,240
30	359 - ROADS AND TRAILS								
31	Bulk Power Transmission	DM3	71	32	12	8	16	0	68
32	Sub-Transmission	DM3	4	2	1	0	1	0	4
33	TOTAL ACCOUNT 359		75	34	13	8	17	0	72
34	**TOTAL TRANSMISSION PLANT**		777,447	343,202	130,666	82,296	189,993	803	746,959

Description	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
TOTAL REVENUES	2,121,477	939,932	365,937	222,802	472,371	53,005	2,054,048
OPERATING EXPENSES							
O&M EXPENSES - FUEL	794,116	293,149	119,955	91,602	249,053	10,583	764,342
- OTHER	521,322	258,881	86,160	50,329	101,045	10,188	506,604
DEPRECIATION & AMORT. EXPENSE	251,864	121,242	43,849	25,336	47,405	6,992	244,824
TAXES OTHER THAN INCOME	144,317	69,700	25,069	14,451	26,318	4,754	140,292
TOTAL INCOME TAXES	86,678	43,774	22,760	7,801	2,172	8,492	84,998
TOTAL OPERATING EXPENSES	1,798,297	786,747	297,793	189,518	425,992	41,009	1,741,060
OPERATING RETURN	323,180	153,185	68,144	33,284	46,379	11,996	312,988
TOTAL CUSTOMER GROWTH	1,068	743	8	312	0	5	1,068
INTEREST ON CUSTOMER DEPOSITS	(588)	(478)	(70)	(12)	(8)	(19)	(588)
RETURN	323,660	153,450	68,082	33,584	46,371	11,981	313,468
RATEBASE							
ELECTRIC PLANT IN SERVICE	8,110,773	3,941,620	1,417,992	802,978	1,472,602	264,627	7,899,820
RESERVE FOR DEPRECIATION	(2,929,852)	(1,414,521)	(510,515)	(293,275)	(545,444)	(85,770)	(2,849,525)
NET PLANT	5,180,921	2,527,099	907,477	509,704	927,158	178,858	5,050,295
TOTAL CONST. WORK IN PROGRESS	178,746	85,298	31,006	17,928	34,666	4,737	173,635
TOTAL DEFERRED DEBITS/CREDITS	(114,140)	(56,982)	(19,119)	(10,589)	(19,798)	(5,344)	(111,832)
TOTAL WORKING CAPITAL	61,457	15,522	9,130	10,783	23,766	(745)	58,457
TOTAL MATERIALS & SUPPLIES	337,420	135,795	53,082	37,166	91,445	5,469	322,956
ACCUM. DEFERRED INCOME TAXES	(688,893)	(338,929)	(120,946)	(66,763)	(119,084)	(26,883)	(672,604)
TOTAL RATEBASE	4,955,511	2,367,804	860,629	498,228	938,153	156,092	4,820,908
RATE OF RETURN	6.53%	6.48%	7.91%	6.74%	4.94%	7.68%	6.50%

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**DISTRIBUTION PLANT**								
2	360 - LAND & LAND RIGHTS								
3	SUBSTATIONS								
4	Bulk	D30	16,099	8,087	3,446	1,731	2,488	347	16,099
5	Direct Assignment	P360DA	142	0	0	0	142	0	142
6	Sub-Total Substations		16,241	8,087	3,446	1,731	2,630	347	16,241
7	OVERHEAD LINES								
8	Primary - Customer Comp	D30	38,351	19,265	8,209	4,123	5,927	827	38,351
9	TOTAL ACCOUNT 360		54,592	27,352	11,655	5,854	8,557	1,174	54,592
10	361-363 SUBSTATIONS								
11	Bulk	D30	254,446	127,815	54,466	27,358	39,323	5,484	254,446
12	Direct Assignment	P361DA	45,528	0	3,366	544	41,618	0	45,528
13	TOTAL ACCOUNTS 361-363		299,974	127,815	57,832	27,902	80,941	5,484	299,974
14	364-365 OVERHEAD LINES								
15	PRIMARY FUNCTION								
16	Capacity Component	D30	405,595	203,741	86,821	43,609	62,682	8,742	405,595
17	SECONDARY FUNCTION								
18	Customer Component	C35	279,532	213,392	44,041	19,205	0	2,894	279,532
19	TOTAL ACCOUNTS 364-365		685,127	417,133	130,862	62,814	62,682	11,636	685,127
20	366-367 UNDERGROUND LINES								
21	Primary Function	D30	242,131	121,629	51,830	26,034	37,420	5,219	242,131
22	Secondary Function	C35	185,059	141,272	29,157	12,714	0	1,916	185,059
23	TOTAL ACCOUNTS 366-367		427,190	262,901	80,987	38,748	37,420	7,135	427,190
24	368 - TRANSFORMERS								
25	Bulk Power Transmission	D10	6,151	2,800	1,052	674	1,390	0	5,917
26	Primary Function	D30	16,905	8,492	3,619	1,818	2,613	364	16,905
27	SECONDARY FUNCTION								
28	Capacity Component	D35	165,258	100,043	42,583	18,340	0	4,292	165,258
29	Customer Component	C35	184,054	140,505	28,998	12,645	0	1,906	184,054
30	TOTAL ACCOUNT 368		372,368	251,840	76,252	33,477	4,002	6,562	372,134
31	369 - SERVICES								
32	Customer Component	C36	225,707	174,105	35,933	15,669	0	0	225,707
33	TOTAL ACCOUNT 369		225,707	174,105	35,933	15,669	0	0	225,707
34	370 - METERS	P370	156,503	91,992	54,166	4,758	5,556	0	156,472
35	373 - STREET LIGHTING	P373	215,020	0	0	0	0	215,020	215,020
36	**TOTAL DISTRIBUTION PLANT**		2,436,481	1,353,139	447,687	189,222	199,158	247,011	2,436,216

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	GENERAL PLANT								
2	389 - LAND & LAND RIGHTS	PTD	5,079	2,468	888	503	922	166	4,947
3	390-398 OTHER GENERAL PLANT	PTD	182,384	88,634	31,886	18,056	33,114	5,951	177,640
4	**TOTAL GENERAL PLANT**		187,463	91,102	32,774	18,559	34,036	6,116	182,587
5	**INTANGIBLE PLANT**	PTD	75,087	36,490	13,127	7,434	13,633	2,450	73,134
6	COMMON PLANT								
7	489 - LAND & LAND RIGHTS	PTD	11,642	5,658	2,035	1,153	2,114	380	11,339
8	490-498 OTHER COMMON PLANT	PTD	241,148	117,192	42,159	23,874	43,783	7,868	234,876
9	**TOTAL COMMON PLANT**		252,790	122,849	44,195	25,027	45,897	8,248	246,215
10	**TOTAL ELECTRIC PLANT IN SERVICE**		8,110,773	3,941,620	1,417,992	802,978	1,472,602	264,627	7,899,820
11	**ACCUM. RESERVES FOR DEPRECIATION**								
12	PRODUCTION	P10	(1,716,687)	(781,584)	(293,673)	(188,238)	(387,840)	0	(1,651,336)
13	TRANSMISSION	P20L	(237,978)	(105,289)	(40,089)	(25,240)	(57,788)	(260)	(228,666)
14	DISTRIBUTION	P30L	(760,691)	(423,409)	(139,253)	(58,561)	(60,871)	(78,512)	(760,606)
15	GENERAL	P40L	(114,062)	(55,431)	(19,941)	(11,292)	(20,709)	(3,721)	(111,095)
16	COMMON (ELECTRIC PORTION)	PCL	(100,434)	(48,808)	(17,559)	(9,943)	(18,235)	(3,277)	(97,822)
17	**TOTAL ACCUM. RESERVES FOR DEPREC.**		(2,929,852)	(1,414,521)	(510,515)	(293,275)	(545,444)	(85,770)	(2,849,525)
18	**NET ELECTRIC PLANT IN SERVICE**		5,180,921	2,527,099	907,477	509,704	927,158	178,858	5,050,295
19	**CONSTRUCTION WORK IN PROGRESS**								
20	PRODUCTION	P10	59,960	27,299	10,257	6,575	13,546	0	57,677
21	TRANSMISSION	P20	46,497	20,520	7,814	4,920	11,372	49	44,675
22	DISTRIBUTION	P30	33,742	18,746	6,196	2,617	2,749	3,431	33,738
23	GENERAL	P40	27,817	13,518	4,863	2,754	5,050	908	27,094
24	COMMON (ELECTRIC PORTION)	PC	10,730	5,214	1,876	1,062	1,948	350	10,451
25	**TOTAL CONSTR. WORK IN PROGRESS**		178,746	85,298	31,006	17,928	34,666	4,737	173,635

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**MATERIALS AND SUPPLIES**								
2	NUCLEAR FUEL INVENTORY	E10	84,721	30,746	12,604	9,657	26,366	1,135	80,508
3	FOSSIL FUEL INVENTORY	E10	142,205	51,608	21,156	16,209	44,256	1,905	135,134
4	EMISSION ALLOWANCES	P10	13,736	6,254	2,350	1,506	3,103	0	13,213
5	PLANT MATERIALS AND SUPPLIES								
6	Plant Materials	D10	46,726	21,274	7,993	5,124	10,557	0	44,947
7	Substation Materials	P11	2,436	1,079	448	246	592	25	2,390
8	Wire and Cable	P12	4,172	2,268	754	400	644	45	4,111
9	Poles and Hardware	P12	5,758	3,130	1,041	552	888	63	5,674
10	Underground Material	P13	2,216	1,335	417	204	219	34	2,208
11	Street Lighting Material	P373	1,283	0	0	0	0	1,283	1,283
12	Meters	P370	700	411	242	21	25	0	700
13	Transformers	P368	7,484	5,062	1,533	673	80	132	7,479
14	Reels, Drums, and Containers	P12	48	26	9	5	7	1	47
15	TOTAL PLANT MATERIALS AND SUPPLIES		70,823	34,584	12,437	7,225	13,012	1,582	68,840
16	COMMON MATERIALS AND SUPPLIES	PC	25,935	12,604	4,534	2,568	4,709	846	25,260
17	**TOTAL M&S EXCLUDING FUEL**		96,758	47,188	16,971	9,793	17,720	2,429	94,101
18	WORKING CASH		128,635	55,068	20,211	13,706	33,495	2,254	124,734
19	PREPAYMENTS								
20	Plant Prepayments	POO	5,904	2,877	1,033	582	1,061	201	5,753
21	Other Taxes Prepayments	TIPOO	5,944	2,868	1,032	595	1,084	195	5,775
22	Municipal Licenses	RSLMUN	35,627	18,244	7,948	5,644	3,046	744	35,627
23	TOTAL PREPAYMENTS		47,475	23,989	10,013	6,821	5,191	1,141	47,155
24	**TOTAL ADDITIONS TO NET PLANT**		692,276	300,151	114,311	75,620	164,797	13,601	668,481
25	**ACCUM. DEFERRED INCOME TAXES**								
26	Production Related	P10	(314,525)	(143,199)	(53,806)	(34,488)	(71,059)	0	(302,552)
27	Transmission & Distribution Related	TD	(329,788)	(174,065)	(59,346)	(27,861)	(39,932)	(25,429)	(326,632)
28	General & Common Related	GC	(44,580)	(21,665)	(7,794)	(4,413)	(8,094)	(1,454)	(43,421)
29	**TOTAL ACCUM. DEF. INCOME TAXES**		(688,893)	(338,929)	(120,946)	(66,763)	(119,084)	(26,883)	(672,604)
30	AVERAGE TAX ACCRUALS	AVGTAX	(74,306)	(35,238)	(15,784)	(7,897)	(11,651)	(2,962)	(73,531)
31	CUSTOMER DEPOSITS	PCD	(28,692)	(23,338)	(3,418)	(599)	(398)	(939)	(28,692)
32	INJURIES AND DAMAGES	POO	(4,863)	(2,370)	(851)	(479)	(874)	(166)	(4,739)
33	NUCLEAR REFUELING	E10 & P10	(6,792)	(2,590)	(1,041)	(768)	(1,998)	(73)	(6,470)
34	OPEBS	LABOR	(81,893)	(39,931)	(13,286)	(7,814)	(15,704)	(2,891)	(79,627)
35	STORM RESERVE	TD	(31,289)	(16,674)	(5,685)	(2,669)	(3,825)	(2,436)	(31,289)
36	MAJOR MAINTENANCE ACCRUAL	E10	(726)	(263)	(108)	(83)	(226)	(10)	(690)
37	DEF. CREDIT / ENVIRONMENTAL	PTD	(232)	(113)	(41)	(23)	(42)	(8)	(226)
38	**TOTAL DEDUCTIONS FROM NET PLANT**		(917,686)	(459,446)	(161,159)	(87,095)	(153,802)	(36,367)	(897,868)
39	**TOTAL RATEBASE**		4,955,511	2,367,804	860,629	498,228	938,153	156,092	4,820,908

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**OPERATING REVENUES**								
2	SALES OF ELECTRICITY	RSL	1,995,752	884,836	345,395	210,387	441,647	50,193	1,932,457
3	OTHER OPERATING REVENUES								
4	OPPORTUNITY SALES								
5	Demand Component	D10	37,633	17,134	6,438	4,127	8,502	0	36,200
6	Energy Component	E10	46,379	16,831	6,900	5,287	14,434	621	44,073
7	Transmission Component	P20	4,670	2,061	785	494	1,142	5	4,487
8	TOTAL OPPORTUNITY SALES		88,682	36,026	14,123	9,907	24,078	626	84,760
9	450 - FORFEITED DISCOUNTS	E904	4,109	3,120	592	362	35	0	4,109
10	451 - MISCELLANEOUS	R451DA	3,668	2,638	1,030	0	0	0	3,668
11	454 - RENT								
12	Distribution Function	P30	17,084	9,491	3,137	1,325	1,392	1,737	17,082
13	Direct Assignment	R454DA	4,524	0	321	136	4,043	23	4,523
14	TOTAL ACCOUNT 454		21,608	9,491	3,458	1,461	5,434	1,760	21,605
15	Other Electric Revenues	TD	5,486	2,896	987	463	664	423	5,434
16	Other Electric Revenues - Trans.	P20	2,097	925	352	222	513	2	2,015
17	Wheeling Revenue - Wholesale	REV_456WH	75	0	0	0	0	0	0
18	456 - OTHER ELECTRIC REVENUES		7,658	3,821	1,340	685	1,177	425	7,448
19	TOTAL OTHER REVENUE		125,725	55,096	20,543	12,415	30,724	2,812	121,591
20	**TOTAL OPERATING REVENUES**		2,121,477	939,932	365,937	222,802	472,371	53,005	2,054,048

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		**OPERATION AND MAINTENANCE EXPENSE**								
2		PRODUCTION EXPENSES								
3		OPERATION								
4	500	Supervision and Engineering	Z500	3,524	1,518	582	390	876	13	3,379
5	501	Fuel	E10	393,302	146,826	60,116	45,955	125,113	5,339	383,349
6	502	Steam Expenses	P10	17,009	7,744	2,910	1,865	3,843	0	16,361
7	505	Electric Expenses	P10	8,599	3,915	1,471	943	1,943	0	8,272
8	506	Misc. Steam Expenses	P10	5,446	2,479	932	597	1,230	0	5,239
9	509	Emission Allowance Expenses	P10	6,969	3,173	1,192	764	1,574	0	6,704
10		TOTAL STEAM OPERATION		434,849	165,655	67,202	50,515	134,580	5,351	423,303
11		MAINTENANCE								
12	510	Supervision and Engineering	E10	747	271	111	85	232	10	710
13	511	Structures	P10	699	318	120	77	158	0	672
14	512	Boiler Plant	E10	18,704	6,788	2,783	2,132	5,821	251	17,774
15	513	Electric Plant	E10	2,468	896	367	281	768	33	2,345
16	514	Misc. Steam Expenses	P10	4,433	2,018	758	486	1,002	0	4,264
17		TOTAL STEAM MAINTENANCE		27,051	10,291	4,139	3,061	7,981	294	25,766
18		NUCLEAR POWER GENERATION								
19		OPERATION								
20	517	Supervision and Engineering	Z517	8,342	3,798	1,427	915	1,885	0	8,024
21	518	Fuel	E10	26,929	9,773	4,006	3,070	8,381	361	25,590
22	519	Coolants and Water	P10	2,046	932	350	224	462	0	1,968
23	520	Steam Expenses	P10	4,413	2,009	755	484	997	0	4,245
24	523	Electric Expenses	P10	839	382	144	92	190	0	807
25	524	Misc. Nuclear Expenses	P10	32,522	14,807	5,564	3,566	7,347	0	31,284
26		TOTAL STEAM OPERATION		75,091	31,700	12,245	8,351	19,262	361	71,919
27		MAINTENANCE								
28	528	Supervision and Engineering	E10	14,122	5,125	2,101	1,610	4,395	189	13,420
29	529	Structures	P10	2,933	1,335	502	322	663	0	2,821
30	530	Reactor Plant Equipment	E10	2,038	740	303	232	634	27	1,937
31	531	Electric Plant	E10	1,275	463	190	145	397	17	1,212
32	532	Misc. Nuclear Plant	P10	10,768	4,903	1,842	1,181	2,433	0	10,358
33		TOTAL STEAM MAINTENANCE		31,136	12,565	4,938	3,490	8,521	234	29,748

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		HYDRAULIC POWER GENERATION								
2		OPERATION								
3	535	Supervision and Engineering	Z535	931	424	159	102	210	0	896
4	536	Water for Power	P10	81	37	14	9	18	0	78
5	537	Hydraulic Expenses	P10	1,143	520	196	125	258	0	1,099
6	538	Electric Expenses	P10	797	363	136	87	180	0	767
7	539	Misc. Hydraulic Power Expenses	P10	1,794	817	307	197	405	0	1,726
8		TOTAL HYDRO OPERATION		4,746	2,161	812	520	1,072	0	4,565
9		MAINTENANCE								
10	541	Supervision and Engineering	Z541	170	66	26	19	49	2	162
11	542	Structures	P10	8	4	1	1	2	0	8
12	543	Dams and Waterways	P10	572	260	98	63	129	0	550
13	544	Electric Plant	E10	1,417	514	211	162	441	19	1,347
14	545	Misc. Hydraulic Plant Maintenance	P10	182	83	31	20	41	0	175
15		TOTAL HYDRO MAINTENANCE		2,349	927	367	264	662	21	2,242
16		OTHER POWER GENERATION								
17		OPERATION								
18	546	Supervision and Engineering	Z546	1,249	569	214	137	282	0	1,201
19	547	Fuel	E10	192,593	69,894	28,653	21,953	59,937	2,580	183,017
20	548	Generation Expenses	P10	17,399	7,922	2,976	1,908	3,931	0	16,737
21	549	Misc. Other Power Generation Expenses	P10	2,554	1,163	437	280	577	0	2,457
22		OTHER OPERATION		213,795	79,547	32,280	24,278	64,727	2,580	203,412
23		MAINTENANCE								
24	551	Supervision and Engineering	Z551	607	276	104	67	137	0	584
25	552	Structures	P10	462	210	79	51	104	0	444
26	553	Generating and Electric Equipment	P10	2,986	1,359	511	327	675	0	2,872
27	554	Misc. Other	P10	752	342	129	82	170	0	723
28		OTHER MAINTENANCE		4,807	2,189	822	527	1,086	0	4,624
29		OTHER POWER SUPPLY EXPENSE								
30	555D	Purchased Power - Demand	D10	79,475	36,184	13,596	8,715	17,955	0	76,450
31	555E	Purchased Power - Energy	E10	4,751	1,724	707	542	1,479	64	4,515
32	555F	Purchased Power - Fuel	E10	12,747	4,626	1,896	1,453	3,967	171	12,113
33	555FENV	Purchased Power - Fuel- Environmental	D10	2,383	1,085	408	261	538	0	2,292
34	555G	Purchased Power - GENCO Fuel	E10	159,193	57,773	23,684	18,146	49,542	2,133	151,277
35	556	System Control and Load Dispatching	D10	1,728	787	296	189	390	0	1,662
36	557	Other Expenses	D10	589	268	101	65	133	0	567
37		TOTAL OTHER PWR SUPPLY		260,866	102,447	40,687	29,370	74,005	2,367	248,876
38		**TOTAL PRODUCTION EXPENSE**		1,054,690	407,481	163,493	120,376	311,896	11,208	1,014,453

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		TRANSMISSION EXPENSE								
2		OPERATION								
3	560	Supervision and Engineering	Z560	667	302	114	73	153	0	641
4	561	Load Dispatching	D10	2,793	1,272	478	306	631	0	2,687
5	562	Station Expenses	P3523	330	152	58	36	71	1	318
6	563	Overhead Lines Expenses	P3546	157	67	25	16	42	0	151
7	565	Transmission of Electricity by Others	D10	476	217	81	52	108	0	458
8	566	Misc. Transmission Expenses	P20	2,285	1,008	384	242	559	2	2,195
9	567	Rents	P20	289	128	49	31	71	0	278
10		TOTAL OPERATION		6,997	3,145	1,189	756	1,634	4	6,728
11		MAINTENANCE								
12	568	Supervision and Engineering	Z568	18	8	3	2	4	0	17
13	569	Structures	P3523	(54)	(25)	(9)	(6)	(12)	(0)	(52)
14	570	Station Equipment	P3523	2,064	948	362	225	447	5	1,988
15	571	Overhead Lines	P3546	6,869	2,961	1,125	716	1,845	0	6,647
16	572	Underground Lines	P3578	2	1	0	0	0	0	2
17	573	Maintenance of Misc. Transmission Plant	P20	3	1	1	0	1	0	3
18		TOTAL MAINTENANCE		8,902	3,895	1,482	937	2,286	5	8,605
19		**TOTAL TRANSMISSION**		15,899	7,039	2,671	1,693	3,920	9	15,333

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		DISTRIBUTION EXPENSE								
2		OPERATION								
3	580	Supervision and Engineering	Z580	786	398	163	55	73	98	786
4	581	Load Dispatching	D30	799	401	171	86	123	17	799
5	582	Station Expenses	P3613	509	217	98	47	137	9	509
6	583	Overhead Line Expenses	P3645	1,322	805	253	121	121	22	1,322
7	584	Underground Line Expenses	P3667	304	187	58	28	27	5	304
8	585	Street Lighting Expenses	P373	435	0	0	0	0	435	435
9	586	Meter Expenses	P370	1,034	608	358	31	37	0	1,034
10	587	Customer Installations Expenses	P371	(12)	(12)	0	0	0	0	(12)
11	588	Misc. Distribution Expense	P30	6,806	3,781	1,250	528	554	692	6,805
12	589	Rents	P30	(709)	(394)	(130)	(55)	(58)	(72)	(709)
13		TOTAL OPERATION		11,274	5,992	2,220	841	1,014	1,207	11,273
14		MAINTENANCE								
15	590	Supervision and Engineering	Z590	502	250	85	40	58	69	502
16	591	Structures	P3613	5	2	1	0	1	0	5
17	592	Station Equipment	P3613	2,346	1,000	452	218	633	43	2,346
18	593	Overhead Lines	P3645	30,613	18,638	5,847	2,807	2,801	520	30,613
19	594	Underground Lines	P3667	2,030	1,249	385	184	178	34	2,030
20	595	Line Transformers	P368	261	177	53	23	3	5	261
21	596	Street Lighting	P373	2,128	0	0	0	0	2,128	2,128
22	597	Meters	P370	147	86	51	4	5	0	147
23	598	Mntce. Of Misc. Distribution Plant	P30	3,040	1,689	558	236	248	309	3,040
24		TOTAL DISTRIBUTION MAINTENANCE		41,072	23,091	7,433	3,513	3,927	3,107	41,071
25		**TOTAL DISTRIBUTION**		52,346	29,083	9,653	4,354	4,941	4,314	52,345

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		CUSTOMER ACCOUNTS EXPENSE								
2	901	Supervision	Z901	1,331	1,003	174	9	4	140	1,331
3	902	Meter Reading Expenses	CUST1	4,699	3,241	1,119	150	184	0	4,694
4	903	Customer Records and Collection Expenses	903DA	35,021	29,935	4,821	155	19	91	35,021
5	904	Uncollectible Accounts	E904DA	6,027	4,576	869	531	51	0	6,027
6	905	Miscellaneous	CUSXX	2,301	1,902	343	43	13	1	2,301
7		TOTAL CUSTOMER ACCOUNTS		49,379	40,656	7,326	888	271	232	49,373
8		CUSTOMER SERVICE & INFORMATIONAL EXPENSE								
9	907	Supervision	Z907	842	144	0	272	381	45	842
10	908	Customer Assistance	E908DA	3,229	551	0	1,043	1,461	174	3,229
11	910	Miscellaneous	CUSYY	46	8	0	15	21	2	46
12		TOTAL CUSTOMER SERV. & INFO. EXPENSE		4,117	703	0	1,330	1,863	222	4,117
13		SALES EXPENSE								
14	911	Supervision	Z911	2	0	0	0	2	0	2
15	912	Demonstration and Selling Expenses	E912DA	1,782	217	92	63	1,376	5	1,753
16	913	Advertising Expenses	E913DA	66	66	0	0	0	0	66
17	916	Miscellaneous	CUSZZ	301	46	15	10	224	1	296
18		TOTAL SALES EXPENSE		2,151	330	107	73	1,602	6	2,117

	Accounts	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		ADMINISTRATIVE & GENERAL EXPENSE								
2	920	Salaries	POO	40,657	19,813	7,113	4,006	7,304	1,386	39,620
3	921	Office Supplies and Expenses	XLABOR	24,861	12,148	3,899	2,339	4,898	899	24,183
4	923	Outside Services Employed	POO	14,302	6,969	2,502	1,409	2,569	487	13,937
5	924	Property Insurance	POO	8,352	4,070	1,461	823	1,500	285	8,139
6	925	Injuries and Damages	POO	5,499	2,680	962	542	988	187	5,359
7	926	Employee Pensions and Benefits	XLABOR	34,072	16,649	5,343	3,205	6,713	1,233	33,143
8	927	Franchise Requirements	POO	5	2	1	0	1	0	5
9	928	928-REG COMMISSION EXP								
10	928S	State Regulatory Commission Exp.	XPOO	3,640	1,828	654	364	656	138	3,640
11	928F	Federal Regulatory Commission Exp.	YPOO	146	0	0	0	0	0	0
12	928O	Other Regulatory Commission Exp.	D10	107	49	18	12	24	0	103
13		Total Regulatory Commission Expenses		3,893	1,877	673	376	680	138	3,743
14	929	Duplicate Charges - Cr.	POO	(9,125)	(4,447)	(1,596)	(899)	(1,639)	(311)	(8,892)
15	930	Miscellaneous	P40	3,535	1,718	618	350	642	115	3,443
16	931	Rents	POO	6,554	3,194	1,147	646	1,177	223	6,387
17	935	Maintenance of General Plant	P40	4,251	2,066	743	421	772	139	4,140
18		TOTAL ADMINISTRATIVE & GENERAL EXPENSES		136,856	66,739	22,865	13,217	25,605	4,781	133,208
19		**TOTAL OPERATION & MAINT. EXPENSE**		1,315,438	552,031	206,115	141,931	350,098	20,771	1,270,946

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**DEPR. AND AMORT. EXPENSE**								
2	DEPP PRODUCTION	P10	143,191	65,193	24,496	15,701	32,350	0	137,740
3	DEPT TRANSMISSION	P20L	17,705	7,833	2,983	1,878	4,299	19	17,012
4	DEPD DISTRIBUTION	P30L	56,737	31,580	10,386	4,368	4,540	5,856	56,731
5	DEPG GENERAL	P40L	22,151	10,765	3,873	2,193	4,022	723	21,575
6	DEPC COMMON	PCL	12,080	5,871	2,112	1,196	2,193	394	11,766
7	**TOTAL DEPR. & AMORT. EXPENSE**		251,864	121,242	43,849	25,336	47,405	6,992	244,824
8	**TAXES OTHER THAN INCOME**								
9	FEDERAL								
10	Federal Payroll Taxes	LABOR	11,058	5,429	1,806	1,062	2,135	393	10,825
11	TOTAL FEDERAL		11,058	5,429	1,806	1,062	2,135	393	10,825
12	STATE								
13	Special Utilities License	POO	4,339	2,114	759	427	779	148	4,228
14	Gross Earnings Tax	RSL	5,980	2,651	1,035	630	1,323	150	5,791
15	Generation Tax	TIP26	6,872	2,945	1,165	896	1,227	107	6,341
16	State Payroll Tax	LABOR	210	102	34	20	40	7	204
17	TOTAL STATE		17,401	7,813	2,994	1,974	3,371	413	16,564
18	LOCAL								
19	County Property Taxes	POO	110,146	53,675	19,270	10,852	19,786	3,754	107,337
20	Municipal Property Taxes	POO	5,712	2,784	999	563	1,026	195	5,566
21	TOTAL LOCAL		115,858	56,459	20,269	11,415	20,813	3,948	112,903
22	**TOTAL TAXES OTHER THAN INCOME TAXES**		144,317	69,700	25,069	14,451	26,318	4,754	140,292

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEVELOPMENT OF STATE INCOME TAX								
2	OPERATING INCOME BEFORE TAXES		409,858	196,959	90,904	41,084	48,550	20,487	397,986
3	ALLOWABLE DEDUCTIONS								
4	Capitalized and Use Tax	POO	28,618	13,946	5,007	2,820	5,141	975	27,888
5	Interest	RB	143,128	68,360	24,935	14,405	27,050	4,522	139,271
6	Depreciation (Over Book)	DEPREJ	132,202	63,990	23,058	13,185	24,378	4,028	128,638
7	Nuclear Fuel Expense	E10	(16,119)	(5,850)	(2,398)	(1,837)	(5,016)	(216)	(15,318)
8	Removal Cost and Property Tax	P10	(36,622)	(16,673)	(6,265)	(4,016)	(8,274)	0	(35,228)
9	Employee Benefits	LABOR	2,219	1,082	360	212	426	78	2,158
10	Non-Taxable State Revenue	POO	4,128	2,006	722	409	749	135	4,021
11	Unbilled Revenue	ENE1	(24,585)	(9,309)	(3,817)	(2,928)	(8,187)	(344)	(24,585)
12	TOTAL ALLOWABLE DEDUCTIONS		232,969	117,551	41,601	22,249	36,267	9,179	226,846
13	STATE TAXABLE INCOME		176,889	79,409	49,304	18,836	12,284	11,308	171,140
14	STATE INCOME TAX @ 5%		8,844	3,970	2,465	942	614	565	8,557
15	STATE INVESTMENT TAX CREDIT								
16	PRODUCTION	P10	(2,336)	(1,064)	(400)	(256)	(528)	0	(2,247)
17	TRANSMISSION AND DISTRIBUTION	TD	(2,138)	(1,128)	(385)	(181)	(259)	(165)	(2,118)
18	GENERAL AND COMMON	GC	(148)	(72)	(26)	(15)	(27)	(5)	(144)
19	EIZ TAX CREDITS	POO	(11,251)	(5,483)	(1,968)	(1,108)	(2,021)	(383)	(10,964)
20	STATE INVESTMENT TAX CREDIT		(15,873)	(7,747)	(2,779)	(1,560)	(2,835)	(553)	(15,473)
21	TOTAL ACCRUED FOR CURRENT YEAR		(7,029)	(3,776)	(313)	(618)	(2,220)	12	(6,916)
22	ADJUSTMENTS TO TAX								
23	State Tax Prior Year Adjustments	POO	(15,146)	(7,381)	(2,650)	(1,492)	(2,721)	(516)	(14,760)
24	**TOTAL STATE INCOME TAX**		(22,175)	(11,157)	(2,963)	(2,110)	(4,941)	(504)	(21,676)

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEVELOPMENT OF FEDERAL INCOME TAX								
2	OPERATING INCOME BEFORE TAXES		409,858	196,959	90,904	41,084	48,550	20,487	397,986
3	ALLOWABLE DEDUCTIONS								
4	Capitalized and Use Tax	POO	38,863	18,938	6,799	3,829	6,981	1,324	37,872
5	Interest	RB	143,128	68,360	24,935	14,405	27,050	4,522	139,271
6	Depreciation (Over Book)	DEPREJ	202,958	98,238	35,399	20,242	37,425	6,184	197,487
7	Nuclear Fuel Expense	E10	(16,119)	(5,850)	(2,398)	(1,837)	(5,016)	(216)	(15,318)
8	Removal Cost and Property Tax	P10	(36,622)	(16,673)	(6,265)	(4,016)	(8,274)	0	(35,228)
9	Employee Benefits	LABOR	2,219	1,082	360	212	426	78	2,158
10	Unbilled Revenue	ENE1	(24,585)	(9,309)	(3,817)	(2,928)	(8,187)	(344)	(24,585)
11	State Income Tax		(7,029)	(3,776)	(313)	(618)	(2,220)	12	(6,916)
12	TOTAL ALLOWABLE DEDUCTIONS		302,813	151,009	54,699	29,288	48,184	11,562	294,742
13	FEDERAL TAXABLE INCOME		107,045	45,950	36,206	11,796	366	8,926	103,244
14	FEDERAL INCOME TAX @ 35%		37,466	16,083	12,672	4,129	128	3,124	36,135
15	ADJUSTMENTS TO TAX								
16	Federal Tax Prior Year Adjustments	POO	(2,268)	(1,105)	(397)	(223)	(407)	(77)	(2,210)
17	**TOTAL FEDERAL INCOME TAX**		35,198	14,977	12,275	3,905	(279)	3,047	33,925

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEFERRED INCOME TAXES								
2	PRODUCTION	P10	(5,102)	(2,323)	(873)	(559)	(1,153)	0	(4,908)
3	TRANSMISSION AND DISTRIBUTION	TD	70,643	37,286	12,712	5,968	8,554	5,447	69,967
4	GENERAL AND COMMON	GC	10,571	5,137	1,848	1,047	1,919	345	10,296
5	LONG TERM DEBT	RB	(1,520)	(726)	(265)	(153)	(287)	(48)	(1,479)
6	OVER/UNDER RECOVERY	ENE1	(6,171)	(2,337)	(958)	(735)	(2,055)	(86)	(6,171)
7	LABOR AND BENEFITS	LABOR	(167)	(81)	(27)	(16)	(32)	(6)	(162)
8	REVENUE	RSL	298	132	52	31	66	7	289
9	REVENUE ACCRUAL	ENE1	(3,006)	(1,138)	(467)	(358)	(1,001)	(42)	(3,006)
10	TOTAL DEFERRED INCOME TAX (NET)		65,546	35,950	12,023	5,225	6,011	5,617	64,825
11	INVESTMENT TAX CREDIT								
12	PRODUCTION	P10	3,864	1,759	661	424	873	0	3,717
13	TRANSMISSION AND DISTRIBUTION	TD	4,340	2,291	781	367	525	335	4,298
14	GENERAL AND COMMON	GC	(95)	(46)	(17)	(9)	(17)	(3)	(93)
15	EIZ TAX CREDITS	POO	0	0	0	0	0	0	0
16	INVESTMENT TAX CREDIT (NET)		8,109	4,004	1,425	781	1,381	332	7,923
17	TOTAL INCOME TAXES		86,678	43,774	22,760	7,801	2,172	8,492	84,998
18	CUSTOMER GROWTH	XCG	1,068	743	8	312	0	5	1,068
19	**INTEREST ON CUSTOMER DEPOSITS**		(588)	(478)	(70)	(12)	(8)	(19)	(588)
20	**RETURN**		323,660	153,450	68,082	33,584	46,371	11,981	313,468

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CLASS RATE OF RETURN RELATIONSHIPS
12 Months Ending 9/30/09

	BEFORE INCREASE			AFTER INCREASE	
	RATE OF RETURN (COL. 1)	% OF RETAIL ROR (COL. 2)	% INCREASE (COL. 3)	RATE OF RETURN (COL. 4)	RELATIONSHIP (COL. 5)
RESIDENTIAL	6.48%	100%	9.69%	8.82%	98%
SMALL	7.91%	122%	9.53%	10.37%	115%
MEDIUM	6.74%	104%	9.24%	9.31%	103%
LARGE	4.94%	76%	9.19%	8.02%	89%
LIGHTING	7.68%	118%	11.03%	9.95%	110%
TOTAL RETAIL	6.50%	100%	9.52%	9.03%	100%

SOUTH CAROLINA ELECTRIC & GAS COMPANY
BASIC FACILITIES CHARGE

RESIDENTIAL	CURRENT	PROPOSED (PHASE 3)	COST OF SERVICE
RATES 1, 2, 6, 8	$8.00	$9.50	
RATE 5, 7	$12.00	$13.50	
TOTAL RESIDENTIAL CLASS			$21.88
SMALL GENERAL SERVICE			
RATES 3, 9, 13	$17.00	$18.50	
RATES 10, 14	$8.00	$9.50	
RATES 11, 16	$20.65	$22.15	
RATES 12, 22	$11.30	$12.80	
RATE 29	$5.50	$7.00	
TOTAL SGS CLASS			$34.04
MEDIUM GENERAL SERVICE			
RATE 20	$145.00	$175.00	
RATE 21, 21A	$160.00	$190.00	
TOTAL MGS CLASS			$334.86
LARGE GENERAL SERVICE			
RATE 23	$1,500.00	$1,725.00	
RATE 24	$1,500.00	$1,725.00	
Contracts	$1,500.00	$1,725.00	
TOTAL LGS CLASS			$2,206.97